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*ActsRetirement.org*

April 10, 2018

Board of Commissioners  
County of Mecklenburg, North Carolina  
600 East Fourth Street  
Charlotte, North Carolina 28202

Re: Request for public hearing at the Board of Commissioner's meeting on May 15, 2018 to approve the issuance of tax-exempt bonds on behalf of Acts Retirement Life Communities, Inc.

Ladies and Gentlemen:

On behalf of ACTS Retirement-Life Communities, Inc. (the "*Borrower*"), I am writing to request that the Board of Commissioners (the "*Board*") of Mecklenburg County (the "*County*") host a public hearing at the Board's meeting on May 15, 2018 and approve, in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "*Code*"), (i) the current refunding, refinancing and/or restructuring of all or a portion of a revolving line of credit issued by Bank of America to the Borrower; (ii) the current refunding, refinancing and/or restructuring of all or a portion of a construction loan made by Branch Banking and Trust Company for certain properties located in North Carolina and, (iii) financing or refinancing (including reimbursement) the costs of acquisition, construction, equipping and improvement of existing and additional facilities at the properties of the Borrower, including the financing of some or all of the costs of issuance, reserve funds (if any), and capitalized interest (if any), including, without limitation, miscellaneous capital improvements and renovations and the acquisition of capital equipment, including, but not limited to, renovations and upgrades to residential living units, health care facilities and common areas, the acquisition of new plant equipment, and other facility enhancements, including specifically central facility and auditorium renovations and dining/café enhancements, the replacement and expansion of the existing skilled nursing facility and renovation/conversion of the existing skilled nursing facility to assisted living units at 733 Plantation Estates Drive, Matthews, NC 28105, located within the County (the "*Project*") with proceeds from the proposed issuance of tax-exempt bonds (the "*Bonds*").

As you know, Section 147(f) of the Code requires all private activity bonds, such as the Bonds, to be approved by (1) the governmental unit issuing the bonds and (2) each governmental unit having jurisdiction over the area in which the bond-financed facilities are located. In this case, Section 147(f) of the Code requires the School to obtain the approval of the Public Finance Authority, a Wisconsin authority, as the issuer of the Bonds, and the County, as the governmental unit having jurisdiction over the area in which Project is located.

Accordingly, the Borrower is requesting that the Board hold a public hearing and approve the issuance of the Bonds in order to comply with the hearing and approval requirements of Section 147(f) of the Code. As the Board's approving resolution will expressly state, the Board's approval will in no way cause the County to become responsible for or liable with respect to the Bonds. Hosting the public hearing and approving the issuance of the Bonds are merely ministerial acts that will enable the Borrower to comply with the provisions of the Code. A preliminary draft of the Board's approval resolution is attached to this letter.

Parker Poe Adams & Bernstein LLP, as our counsel, will cause the required notice of public hearing to be published in the *Charlotte Observer* at least 14 days before the public hearing in accordance with the Code. A draft of the notice of public hearing is also attached to this letter.

The principal amount of the Bonds will not exceed \$97,000,000, and a portion of the proceeds from the Bonds will be loaned to the Borrower to refinance the existing projects as well as finance the Project, as more particularly described in the attached notice.

I hope this letter provides you the information you need in order to hold the public hearing at the Board's May 15, 2018 meeting, but please call me if you need any additional information from the Borrower. I am happy to answer any questions you might have regarding the Borrower or the Bonds. A representative from Parker Poe will be present at your May 15, 2018 meeting should you have any questions at that time.

Thank you for your consideration of this matter.

Very truly yours,



Richard Winter  
Acts Retirement-Life Communities, Inc.  
Senior Vice President of Financial Services  
215-661-8335 ext. 00503